

DIGEST

Director of Data Processing and Accounts

DEC 30 1977  
L 77-722

General Counsel

Michigan Interstate Railway Company  
Employer status

The Michigan Interstate Railway Company has not been an employer under the Railroad Retirement Act and the Railroad Unemployment Insurance Act. In a Certificate of Designated Operator dated September 29, 1977, the Interstate Commerce Commission determined that the Michigan Interstate is entitled to the right to commence service over rail lines specified in the certificate pursuant to the terms of an operating agreement with the State of Michigan, in accordance with Section 304 of the Regional Rail Reorganization Act of 1973 (45 U.S.C. § 744). Certificate of Designated Operator Michigan Interstate Railway Company, D-OP 20 (USRA Line Nos. 455A, 1300/1301/1302/1303 - AA), ICC (1977).

The certificate states that the Michigan Interstate is a common carrier by railroad, subject to Part I of the Interstate Commerce Act, and will be a class I railroad when it commences operations; that the Michigan Interstate will provide service over lines formerly operated by the Ann Arbor Railroad Company prior to April 1, 1976, and by the Consolidated Rail Corporation (ConRail) between April 1, 1976 and midnight September 30, 1977; that the State of Michigan, through the Michigan State Highway Commission, and the Michigan Interstate have entered into a rail service continuation payment operating agreement, effective from October 1, 1977 to March 31, 1981; that the Michigan Interstate has leased units of railroad rolling stock from the State of Michigan; that the Michigan Interstate has an option to lease and operate the properties involved after the effective dates of the operating agreement; and that the Michigan Interstate will adopt, with specified exceptions, "all tariffs, classifications, rules, notices, concurrences, traffic agreements, authorities, powers of attorney or other instruments whatsoever filed with the [Interstate Commerce] Commission, the Michigan Public Service Commission, the Public Utilities Commission of Ohio, the Wisconsin Public Service Commission and the Canadian Transportation Commission, by and heretofore adopted by ConRail (Ann Arbor Division) prior to October 1, 1977 \* \* \*."

In a service order which became effective at 12:01 a.m., October 1, 1977, the Interstate Commerce Commission authorized the Michigan

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Interstate to operate over tracks of the former Ann Arbor Railroad Company line between Toledo, Ohio, and Ann Arbor, Michigan, a distance of 47.54 miles, and between East Pittsfield, Michigan, and Saline, Michigan, a distance of 5.6 miles. Michigan Interstate Railway Company Authorized to Operate Portion of Former Ann Arbor, SO-1276, \_\_\_ICG\_\_\_ (1977).

In a telephone conversation on November 30, 1977, with a member of my staff, Mr. Charles W. Chapman, attorney for the Michigan Interstate, stated that the Company had commenced operations at 12:01 a.m. on October 1, 1977.

On the basis of the above information, it is concluded that as of October 1, 1977, the date of the commencement of operations, the Michigan Interstate Railway Company became an employer under the Railroad Retirement Act and Railroad Unemployment Insurance Act.

An appropriate Form G-341 giving effect to the foregoing is attached.

Dale G. Zimmerman

Attachment

LRS:jw